Sectt. II-27—45,006—19-10-39.

Development (1940.) Department.

MS. SERIES.

G.O. No. ~~437~~. 1146

Dated 16-5-1940.

Despatch Abstract.]

Act. State Aid to Industries Act
Application from Sri V. Sivaram
Bhatt, Hospet for a subsidy for
development of hand-made paper
industry - Rejected

DEPARTMENT.

Received 9-MAY 1940 19 . Registered 13691 19

Subject.

State Aid to Industries Act - Application from Sri V. Sivaram Bhatt, Hospet, for a subsidy of Rs.400 under the - Submitting.

ENCLOSURE
No. 3

Spare copies

No. S.A.1174/39.

Station Madras, Dated the 7th May 1940.

(Name)

(Designation) Director of Industries and Commerce,

To The Secretary to the Government of Madras,
Development Department.

Sir,

pp 7-9 below Sri V.Sivaram Bhatt, Proprietor, the Cottage Industries Hospet, Bellary district, has submitted another applic for a subsidy of Rs.400 under the State Aid to Industries Act for the purpose of developing the hand-made paper industry.

pp 7-9 below pp 3-5 below p 15 below I enclose for the information of Government a copy of his application, together with a copy of the note circulated to the Board of Industries and an extract from the Proceedings of the meeting of the Board held on 18th April 1940.

pp 3-5 below 2. It will be seen from the copy of the note circulated to the Board of Industries that though the applicant has studied the process of hand-made paper manufacture, whilst

he was undergoing training in oil pressing at Wardha, and has been carrying on the hand-made paper industry, no marketable paper has yet been turned out by him in quantity. The Assistant Industrial Engineer, Bezwada, who inspected the applicant's place of business, reports that the industry has not been conducted on a commercial basis but more as a demonstration centre of hand-made paper. The applicant requests that the subsidy may be granted gratis and it is open to Government to assist the industry in any manner they may determine with reference to the provisions of section 20(e) of the Act.

3. The applicant offers as security the same immoveable properties as have been offered in respect of his application for the subsidy for oil pressing.

4. The application was considered at the meeting of the Board of Industries held on 18th April 1940, when the Board resolved unanimously that it was unable to recommend the grant of the subsidy applied for, as it agreed with the view of the Revenue authorities that it would be preferable for the applicant to concentrate on his oil milling venture. The application may therefore be rejected.

Director of Industries and Commerce.

NOTE FOR THE BOARD OF INDUSTRIES.

Application from Sri V.Sivaram Bhat, Hospet, Bellary district for a subsidy of Rs.400 under the State Aid to Industries Act.

Sri Sivaram Bhat has applied for another subsidy of Rs.400/- under the State Aid to Industries Act for the purpose of developing the hand made paper industry, contemporaneously with the conduct of the oil pressing industry in respect of which a separate application has been made for a subsidy. A copy of his application is attached. The applicant states that he has studied the process of hand made paper manufacture whilst he was undergoing training in oil pressing at Wardha and that he has been carrying on the hand made paper industry in Sri Kuderimoti Kotriah's Choultry where he proposes to carry on oil pressing also. The applicant is reported to have received an allowance of Rs.100 from the Karnataka Provincial Congress Committee and to have expended it in the purchase of apparatus and materials required for paper manufacture, but it would appear from the Sub-Collector's report that no marketable paper has yet been turned out by him in quantity. The Assistant Industrial Engineer Bezwada Division who inspected the applicant's place of business reports that the industry has not been conducted on a commercial basis, but more as a demonstration centre of hand made paper. The Assistant Industrial Engineer considers that it will be difficult to secure labour for the economic working of the industry at certain seasons of the year. A copy of the Assistant Industrial Engineer's report is enclosed. The applicant requests that the subsidy may be granted gratis, or in other words, that Government should not insist on its repayment in any form. According to the first paragraph of section 16 of the Act read with rule 19-A of the Rules framed under the Act, a subsidy is ordinarily repayable after a fixed term of years. For a subsidy to be repayable, it is necessary that there should be some security or assets at least equal to the amount of the subsidy applied for. Hand made paper

can be considered to be a village industry and it may be brought under section 1-A(ii) of the Act. In this case, it is open to Government to assist it in any manner they may determine with reference to the provisions of section 20(a) of the Act. The applicant offers as security the same immoveable properties as have been offered in respect of his application for a subsidy for oil pressing. The Collector of Bellary, who was consulted in regard to the application, has forwarded a report of the Sub-Collector, Hospet who states that in his opinion there is not much prospect for hand-made paper. The applicant informed the Sub-Collector that he did not expect to realise more than Rs.10/- per month from his business and it is doubtful if even that would be forthcoming. Hand made paper is generally speaking more suitable as a subsidiary than as a full-time occupation and conducted on proper line it might yield an income of about three annas per day. The Sub-Collector considers that it would be more useful to grant the applicant a subsidy for oil pressing than for carrying on the hand made paper industry.

The views of the Board are desired on the application.

Application for Aid under the State Aid to Industries Act 1922 No. V of 1923.

1. Name of applicant and his full address.

Vadiyar Sivarai Bhatt, Proprietor, The Cottage Industries, Railway Station Road, Hospet, (Bellary District).

2. Nature of the industrial concern for which aid is sought.

Industry in Hand-made paper.

3. The administrative, technical and executive staff existing to be appointed with qualifications.

One Manager, who has been trained in the Industry at A.I.V.I.A rdha, to direct, supervise and control the concern. Three re members to work the industry. All the above are now working Fresh persons will be taken in for the present.

4. The facilities available for the development of the industry.

Raw materials in the shape of plantain-stalk, Bodha grass, paper, rags and old gunny bags are available in plenty in this place. All these can be well xx utilized in paper making and with profit.

Brass cuttings are a good material for paper making, but as they are not available in sufficient quantity here, I get them from Gadag or Hubli.

5. The nature of the processes to be employed.

Purely by man power.

6. Details of plant and machinery installed or proposed to be installed at the works.

No plant or machinery except one small "Dhanki" which has already been installed.

One cutting machine costing Rs.15/- is yet to be got from Wardha (A.V.I.A.)

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished separately).

ESTIMATED EXPENDITURE PER ANNUM.

n-Recurring.

Implements	100/-
Library	25/-
	125/-

Recurring

	50/-
Cooly	300/-
Raw materials	100/-
Grand Total.	575/-

8. Approximate number of operatives employed or to be employed.

Three Coolies.

9. Estimated net expenditure per annum in running the works.

Rs.575/-

10. Estimated net profits accruing.

Rs.150/-

11. Reasons why the business cannot be financed without State assistance.

The applicant is poor and by himself is unable to undertake this business. The Western Taluks of our District are also poor and there is little response from the public to finance such undertakings. To approach the money-lenders would be ruinous to the enterprise.

12. Nature and extent of State Aid applied for. (The particular clause of section 6 under which the aid applied for should be stated

Subsidy of Rs.400/- Under x Section 6 Clause (c) of the Madras State Aid to Industries Ac 2.

Questions 13 to 18.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure.

Rs. 150/- per annum.

20. If the application is from a joint stock company etc

21. Any other remarks:-

The quality of paper I produce will be very strong and durable and such paper is mostly used for writing documents on and for any matter which has to be preserved long. The cost of such fine superior paper will be between four and six rupees per ream. By Local sympathy I expect to find a market for my paper with the merchants, Vakils, Banks and Local Authorities.

Declaration:- I, Vadiyar Sivaram Bhatt, declare that the statements made above are true to the best of my information a belief.

Sd. V. Sivaram Bhatt.

Hospet,
22nd October 1939

COPY OF THE PROSPECTUS.

I. Name:-

The Cottage-Industries, Hospet

II. Nature of Industrial concern:

Hand Made Paper Making

III. Site and Accommodation:-

The institution is located in Sri Kudarimoti Kotriah Choultry. Railway Station Road, Hospet. Improvement and extension of this work spot is made by erecting a temporary shed for a cost of Rs.24/-. The accommodation is fairly adequate with facilities of a soft water step well.

IV. Administrative and Technical Executive Staff:-

Sri V. Sivaram Bhat (Stipendiary Candidate by Government of Madras).

Trained Village Worker from the All India Village Industries Training Institute, Wardha.

(b) Four candidates who undergo - Voluntary Apprenticeship.

(c) Three - Paid Coolies.

V. Raw materials available for the development of the Industry.

A. 1. Press paper cuttings.

2. Plantain stalk

3. Sugarcane bagas.

4. Rags.

5. Bhoda

6. Gunny bags.

Chemicals:-

Commercial caustic Soda.

Perchloron, Sluc, Alum, Rosin, Copper Sulphate,

etc..

VI. Details for Plant Machinery:-

Installed in the existing establishment

1. One wooden Dhanki Local Make costing	Rs.15--0--0
2. One galvanized Tin Zinc sheet "Vat" 3' by 3' by 4' Local make	18--8--0
3. One Teak Wood Mat High Table	4--0--0
4. Two Teak wood pla... Local Make	4--0--0
5. Two Mat making wooden stands from Wardha	1--12--0
6. Two paper lifting frames from Wardha	2--4--0
7. Two Teakwood glazing Boards from Ward	3-10--0
8. Two glazing	1--6--10
9. Mat making grass 12 lbs.	4--0--0
10. Trampling (earthen)pits 5	3--0--0
11. Napkins 50	5--0--0
12. Towels	1--8--0
13. Napkin stand --one--	2--0--0
14. Stirring Rod, side putties and Mat Rods	2--0--0
15. Buckets Two.	1--8--0
16. Writing Desk (Wooden) one	

17. Scales and Weights	14--0
18. Scissors (one pair)	0--8--0
19. Knife one	0--8--0
20. Lantern one	1--8--0
The following are yet to be purchased	
Cutting machine (including freight)	18--0--0
150 Gunnies	12--0--0
Towels	8--0--0
Buckets	4--0--0
	116--6--10.

VII. Nature of Power and Process employed:-

Purely Manual Labour.

VIII. Materials etc.--How secured:-

Cuttings and new paper cuttings are secured from merchants and factory owners at Hospet and Huffissal places both Kottur and Kampli.

(b) Plantain stalk is collected through coolies from the neighbouring plantain gardens for a nominal charges 0-2-0-per head load.

c) Sun hemp:- is brought from the local market at 0-6-0 per

d) Sugarcane bagas is secured through coolies from the local or factory and neighbouring wet lands.

e) Bags are collected from local tailors.

f) Bodha grass is purchased locally at 0-6-0 per head load.

(g) Gunny bags old are brought from the local merchants at

of Rs.8 for every hundred old bags.

Chemicals are brought from the Madras & Bellary Markets.

IX. The - and Nature of work Turned out:-

White papers, Document papers, Blotting papers.

In this initial stage about half a ream of paper is lifted

ry day.

Visitor's Remarks Book.

2. General Accounts Book.

3. Prospectus.

Copy of letter No.1157-Sup/39 dated 2nd January 1940 from the Assistant Industrial Engineer, Bezwada.

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Sub: Sri Sivaram Bhatt - Hospet - application for State Aid for developing the manufacture of hand made paper.

I inspected the hand made paper manufacture industry of Sri V.Sivaram Bhatt at Hospet on 1st December 1939. The industry is being carried on in Sri Kudarimoti Kotriah cheultry Railway station road, Hospet of and on. It appears Government have called for applications to train apprentices in oil pressing industry at Wardha in October 1938, and it appears that he was one of those selected and sent at State expenses for training - while undergoing training. he has also learnt manufacture of hand made paper on cottage industry lines.

2. Sri Sivaram Bhatt received Rs 100/- from Karnataka Provincial Congress Committee on 31-7-1939 for starting cottage industry at Hospet with which, he purchased materials necessary for the paper manufacture. A copy of the detailed account relating to receipts and expenditure is enclosed herewith.

On the day of my inspection I saw one workman of the local sugar factory attending to this work in his leisure hours as a voluntary apprentice. I understand from the party that some local people go over there and volunteer their services for a few days with a view to know the industry for curiosity sake.

The industry is not being handled as a business concern. It appeared to me more or less like a demonstration centre for people to know how paper is made by hand on cottage industry lines.

Hospet and suburbs have got nearly 16,000 acres under sugarcane cultivation and labour will be very dear especially in the jaggery making season.

Although plantain stalk, sugarcane begas, bodha grass could be got plenty in the season, it is rather very difficult to secure labour in the season and even if available the rates will be very high and therefore it will not be economical and profitable to the industry.

Hospet is therefore not found to be a suitable centre for the industry. The party would have developed the industry on business lines if he had found it remunerative with the assistance given by the Karnataka Provincial Congress Committee.

Extract from the proceedings of the meeting of the Board of Industries held on 18th April 1940.

(11) Another application from Sri Sivaram Bhat referred to under item-10, for a subsidy of Rs.400/- under the State Aid to Industries Act for the purpose of developing the hand-made paper industry.

Read note by the Director of Industries and Commerce dated 15th April 1940 and connected papers.

Resolved unanimously that the Board is unable to recommend the grant of the subsidy applied for. The Board agrees with the view of the Revenue authorities that it would be preferable for the applicant to concentrate on his oil milling venture. /

SNdis 8/21 (16/5)
CNO 1309/11.

Dev. Dept.

INDUSTRIES.

Act. State Aid to Industries Act -
Application from Sri V. Sivaram
Bhatt, Hospet for a subsid
for ~~re-development~~ hand made paper
~~for a loan~~ - Rejected

No. 1309/11 From the D.I.&C. SA 1174/39 dt 7.5.40
1146
~~1136~~

dt. 16.5.1940.

b15 CF
pp7-9 CF

The Board of Industries having declined to recommend the application from S. V. Sivarami Bhatt, Hosp.

pp7-9 CF

for State Aid, the application is rejected under Section 8(5) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923).

To the D.I.&C.

Dpd. by Vem
Dpr. Sec
Dpr. intimated KK
Issue 19.5.40

19.5.40 60-5-no.

1pc
1245
DS

13/5/40